



MAY 21, 2019

SUNTRUST FINANCIAL SERVICES CONFERENCE

G. Janelle Frost

Chief Executive Officer

Neal A. Fuller

Chief Financial Officer



FORWARD LOOKING STATEMENTS

Statements made in this presentation that are not historical facts, including statements accompanied by words such as “will,” “believe,” “anticipate,” “expect,” “estimate,” or similar words are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding AMERISAFE’s plans and performance. These statements are based on management’s estimates, assumptions, and projections as of the date of this presentation and are not guarantees of future performance. Actual results may differ materially from the results expressed or implied in these statements if the underlying assumptions prove to be incorrect or as the result of risks, uncertainties, and other factors, including the factors set forth in the Company’s filings with the Securities and Exchange Commission, including AMERISAFE’s Annual Report on Form 10-K for the year ended December 31, 2018. AMERISAFE cautions you not to place undue reliance on the forward-looking statements contained in this presentation. AMERISAFE does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this presentation.

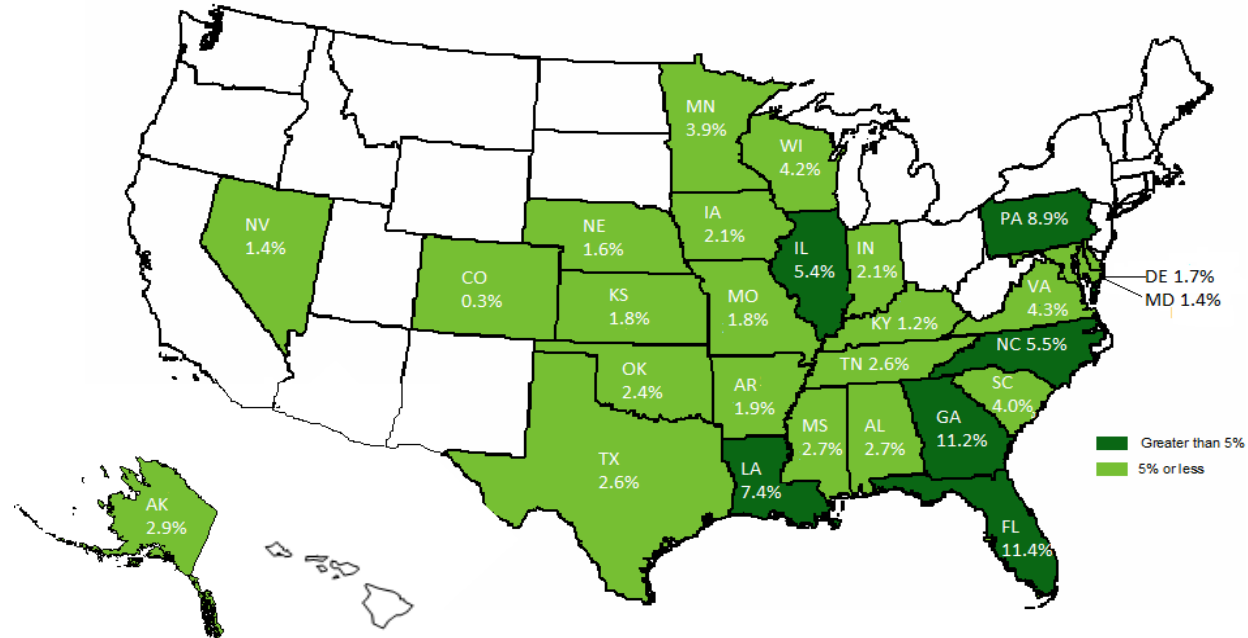
OVERVIEW

AMERISAFE has a 32-year operating history as a specialty provider of workers' compensation insurance for small to mid-sized employers engaged in high hazard industries.

2019 YTD HIGHLIGHTS

- GPW: - 4.4%
- Combined ratio: 84.0%
- Operating ROE: 16.9%

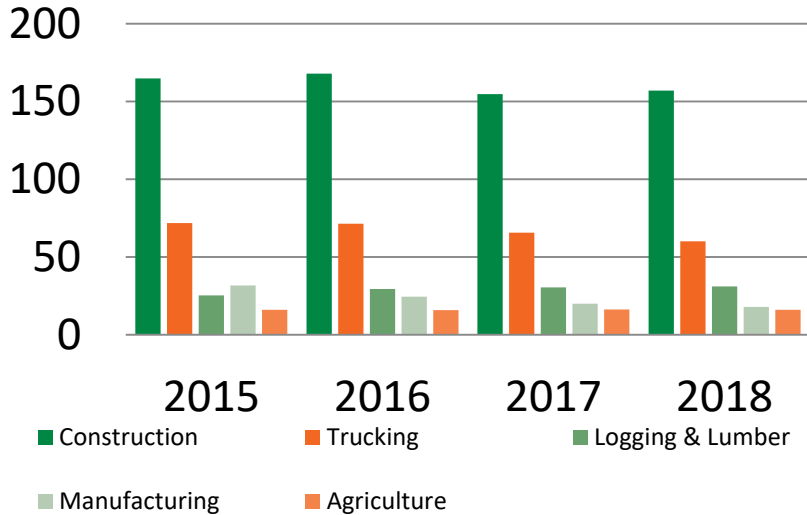
2018 Premium Distribution by State



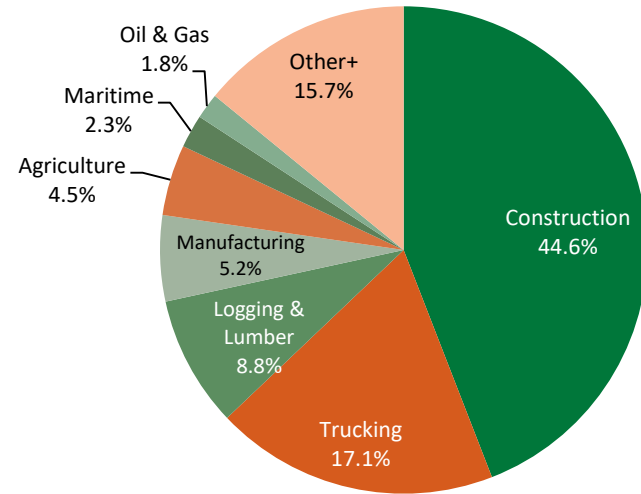
AMERISAFE actively markets insurance in 27 states.

PREMIUM DISTRIBUTION

Historical Premium Distribution of Major Industry Groups
(in \$ millions)



Premium Distribution by Industry as of 12/31/18
**Includes Assigned Risk & Assumed premiums*



*Other includes a wide variety of high-hazard business including cell phone tower service and repair, window washers, metal and scrap iron dealers, and other businesses.

PILLARS OF DISTINCTION

AMERISAFE

High Hazard Niche Focus

- Rate more than 3x national average
- Difficult to serve industry sub-segments
- Mobile workforce-non-fixed workplace environment
- Less impacted by soft market cycles

Small to Mid-Size Employer Focus

- Less competition
- Less price sensitivity
- More difficult to serve
- Higher client retention
- Requires expense management/operational efficiency

High Hazard Underwriting Expertise

- Industry-specific risk analysis tools
- Underwriters' knowledge of industry practices
- No MGA's / MGU's
- Track record of pricing discipline

Comprehensive Safety Services

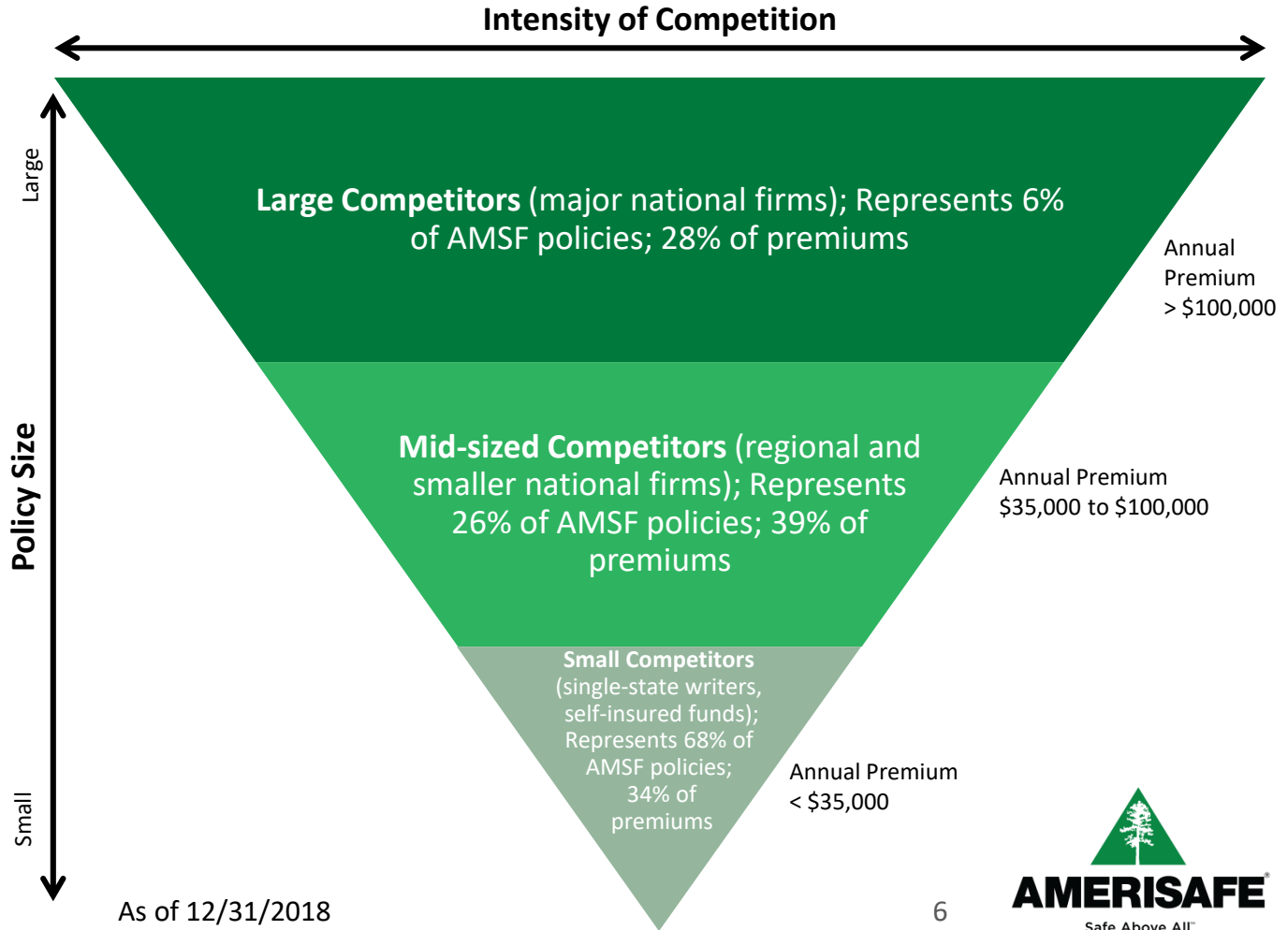
- Field Safety Professionals (FSPs) maintain in-depth knowledge of high hazard industries
- Pre-quotation, worksite safety inspection performed on 93% of new accounts
- FSPs geographically dispersed

Intensive Claims Management

- Field Case Managers (FCMs) located in service areas
- Low case load 47 claims per FCM
- Higher severity losses require unique claims handling skills and processes
- FCMs focus on timely resolution of claims

AMERISAFE CUSTOMER OVERVIEW

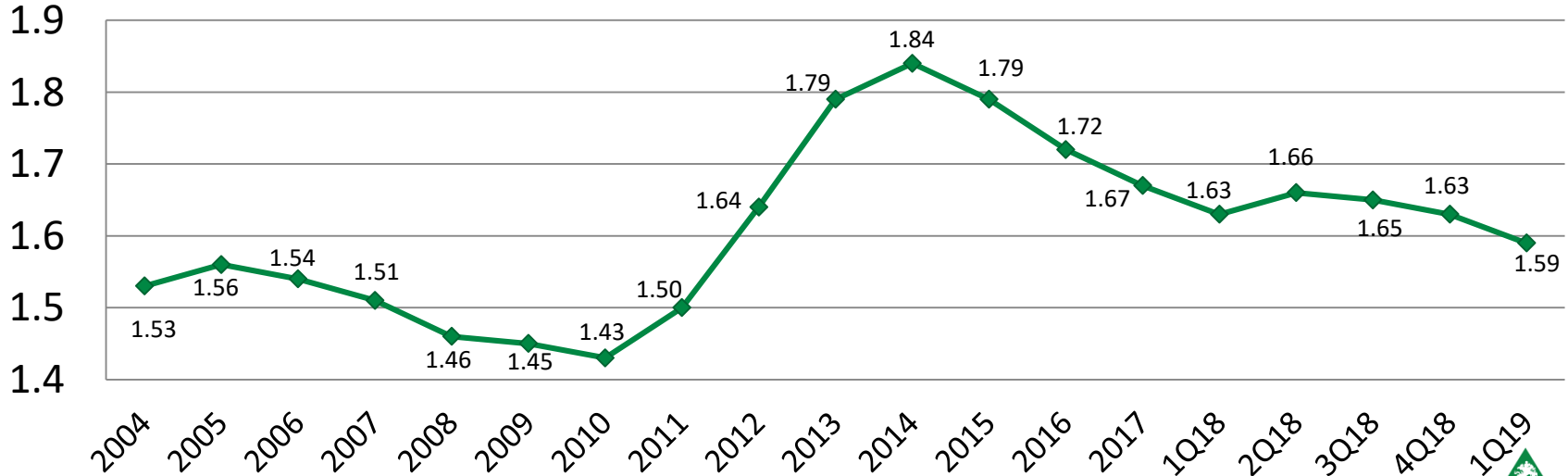
Competition is fragmented, and favors multi-state writers of small to mid-sized employers



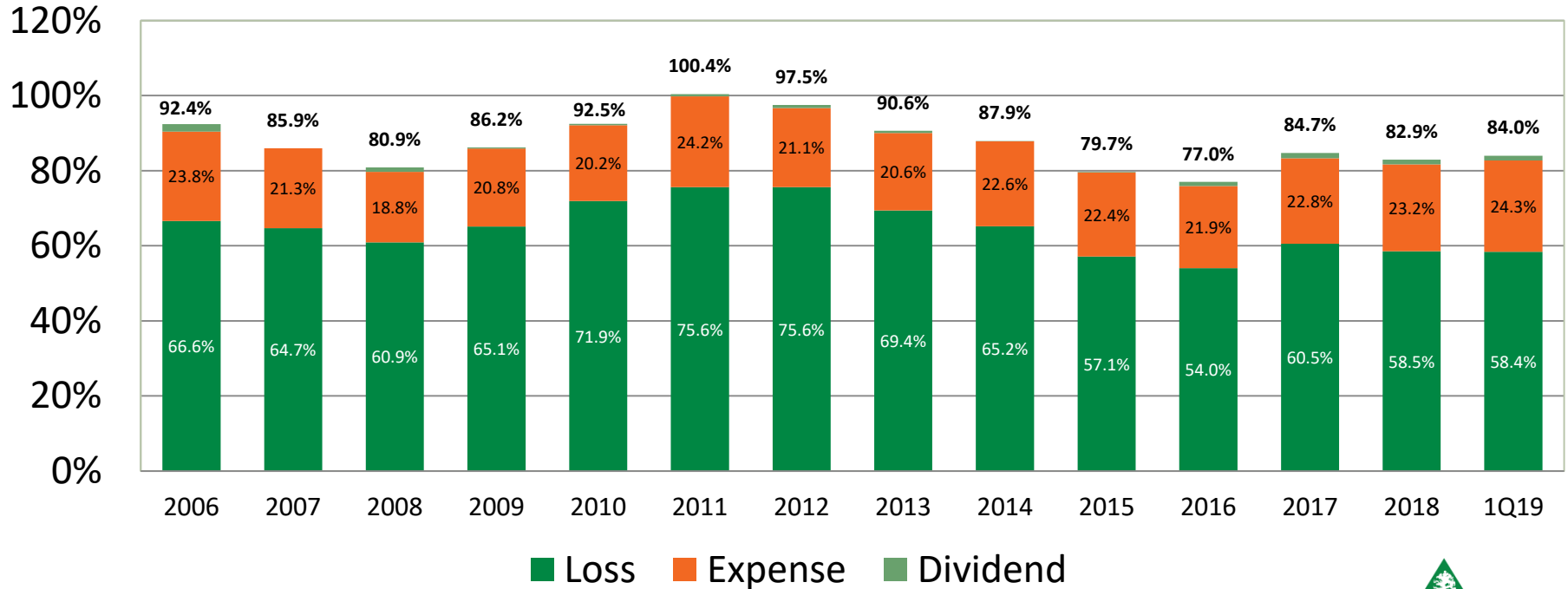
PRICING FOR PROFITABILITY

- Loss costs – estimated loss/\$100 payroll approved by state regulator
- Loss cost multiplier (LCM) – multiplier applied to loss costs to cover company expenses above loss costs
- Effective loss cost multiplier (ELCM) – aggregate actual LCM, including the impact of discretionary pricing as permitted

Policy Year ELCM



COMBINED RATIO



Consistently profitable underwriting

- Average 87.5 % combined ratio over the last thirteen years

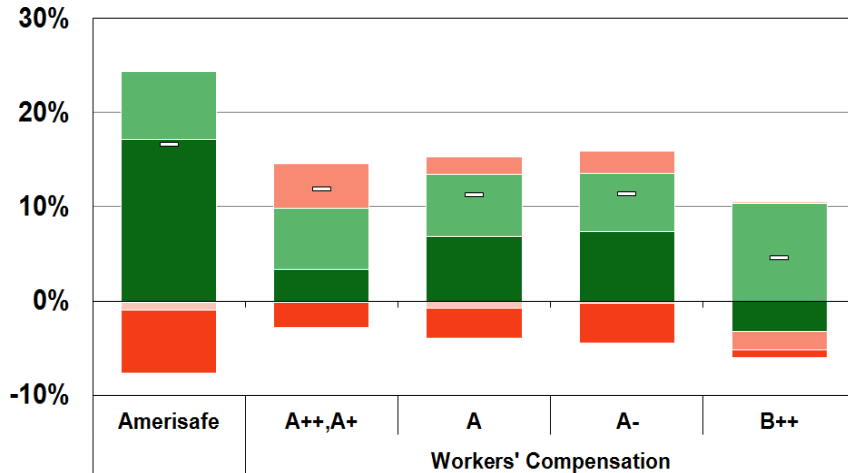
ECONOMIC MODEL – ROE DRIVERS

- Effective tax rate is now lower as a result of lower corporate tax rate
- Imperative to execute on the fundamentals of underwriting, safety and claims with investment yields at low levels
- At current leverage ratios, a 1 point change in Loss Ratio equates to a 30 bps change in yield to maintain ROE

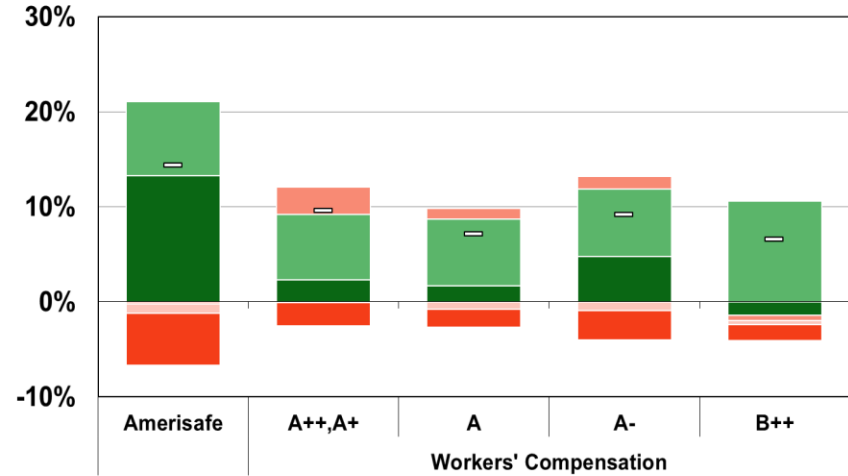
	YTD
Loss Ratio	58.4%
+	
Expense Ratio	24.3%
+	
Policyholder Dividend Ratio	1.3%
=	
Combined Ratio	84.0%
Underwriting Profit	16.0%
x	
Operating Leverage	0.81
=	
Pre-tax ROAE from Underwriting	13.0%
Pre-tax Investment Yield	2.7%
x	
Investment Leverage	2.8
=	
Pre-tax Operating ROAE from Investing	7.6%
Pre-tax Operating ROAE from Other Income (Expense)	0.1%
Pre-tax Operating ROAE	20.7%
Effective Tax Rate	18.5%
Operating ROAE	16.9%

CONTRIBUTIONS TO RETURNS

5 Year ROS Contribution



10 Year ROS Contribution



- UW Contribution
- Capital Gains Contribution
- Tax Impact
- Inv. Income Contribution
- Other Income & Expense Contribution
- ▬ Return on Beginning Surplus

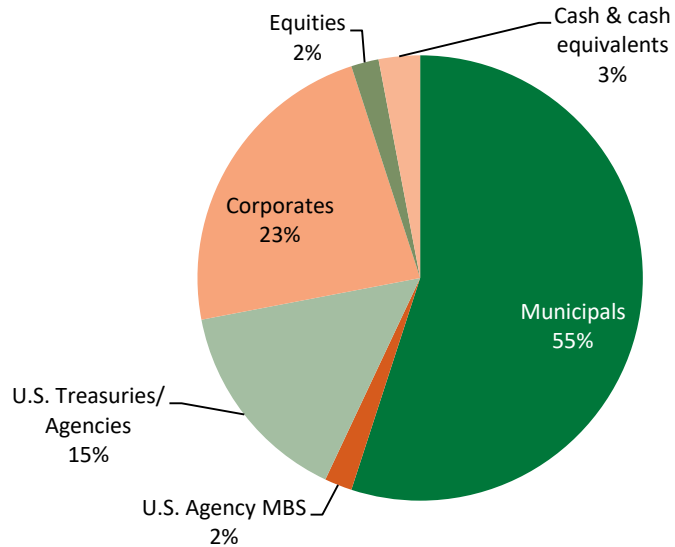
- UW Contribution
- Capital Gains Contribution
- Tax Impact
- Inv. Income Contribution
- Other Income & Expense Contribution
- ▬ Return on Beginning Surplus

AMERISAFE continues to outperform the A.M. Best rated workers' compensation peer group, due primarily to favorable underwriting performance.

INVESTMENT PORTFOLIO

Portfolio Allocation

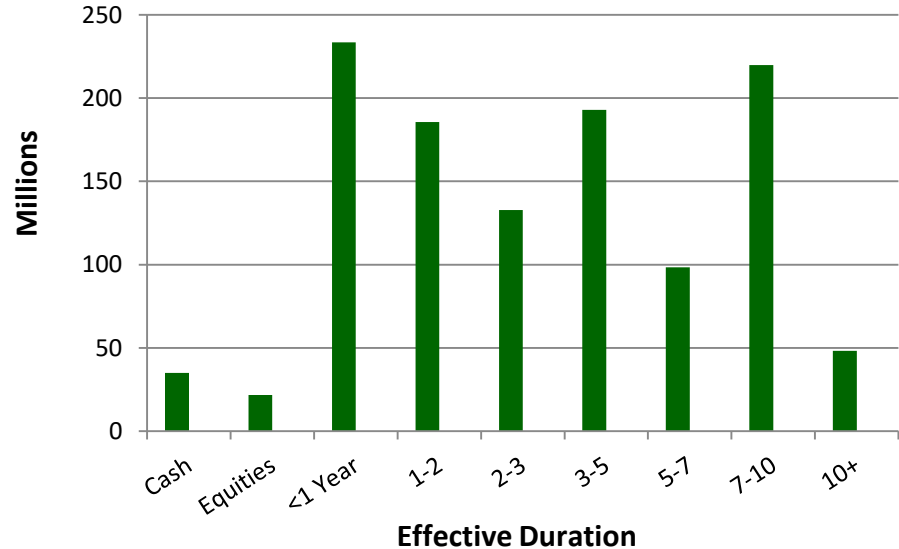
(as of 3/31/2019)



- Carrying value of cash and investments was \$1.2 billion at March 31, 2019
- As of March 31, 2019, fixed-maturity securities had an average composite credit rating of “AA”

Value of Maturities by Effective Duration

(as of 3/31/19)



- Average effective duration of cash and invested assets at March 31, 2019, was 3.91

CAPITAL MANAGEMENT

- **Goal: Maintain and Balance**

- Hold prudent capital levels to maintain A.M. Best financial strength rating of “A”, yet achieve attractive returns for shareholders

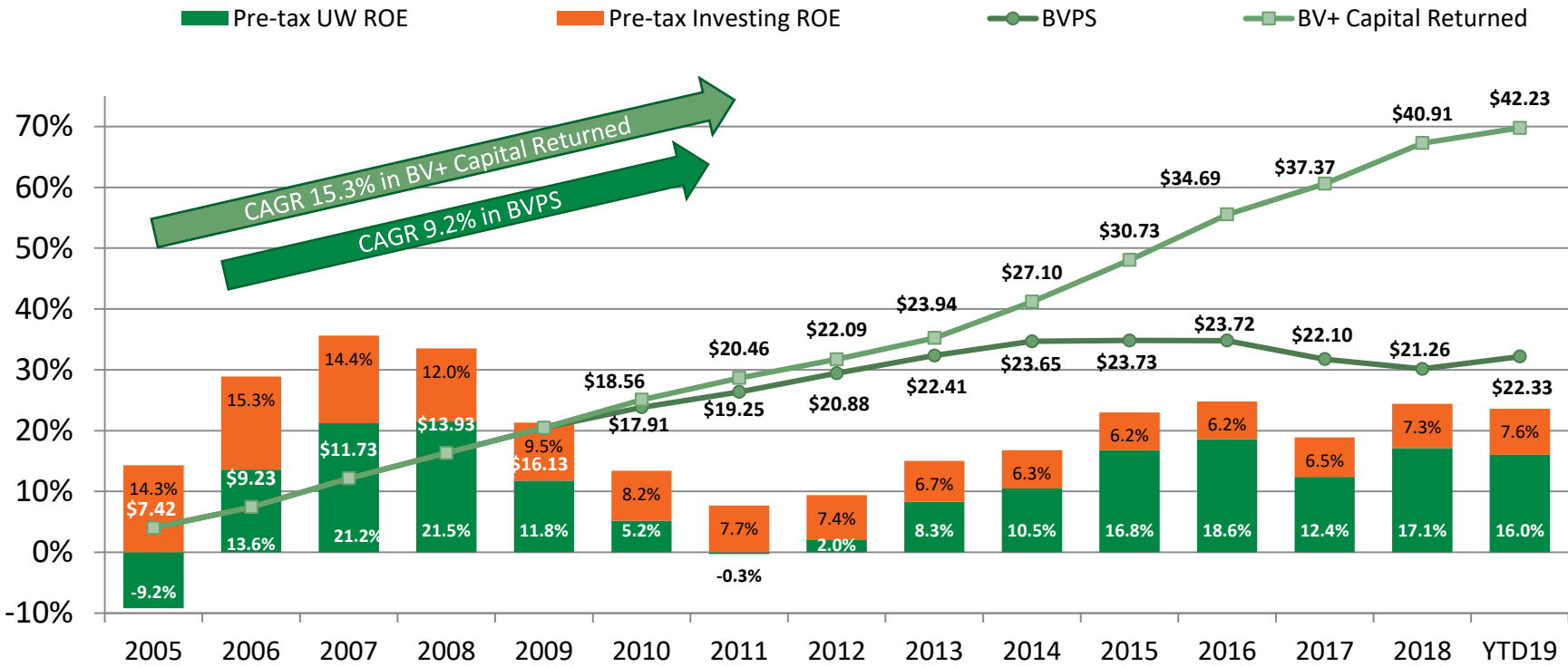
- **History of Proactive Capital Management**

- \$62.0M of preferred and debt retirement
- \$22.4M of share repurchases
- \$360.2M of dividends paid or declared
 - » Extraordinary Dividends of \$28.2M in 2014; \$57.4M in 2015; \$62.5M in 2016; \$67.4M in 2017, and \$67.4 in 2018

- **Current Capital Deployment Strategies**

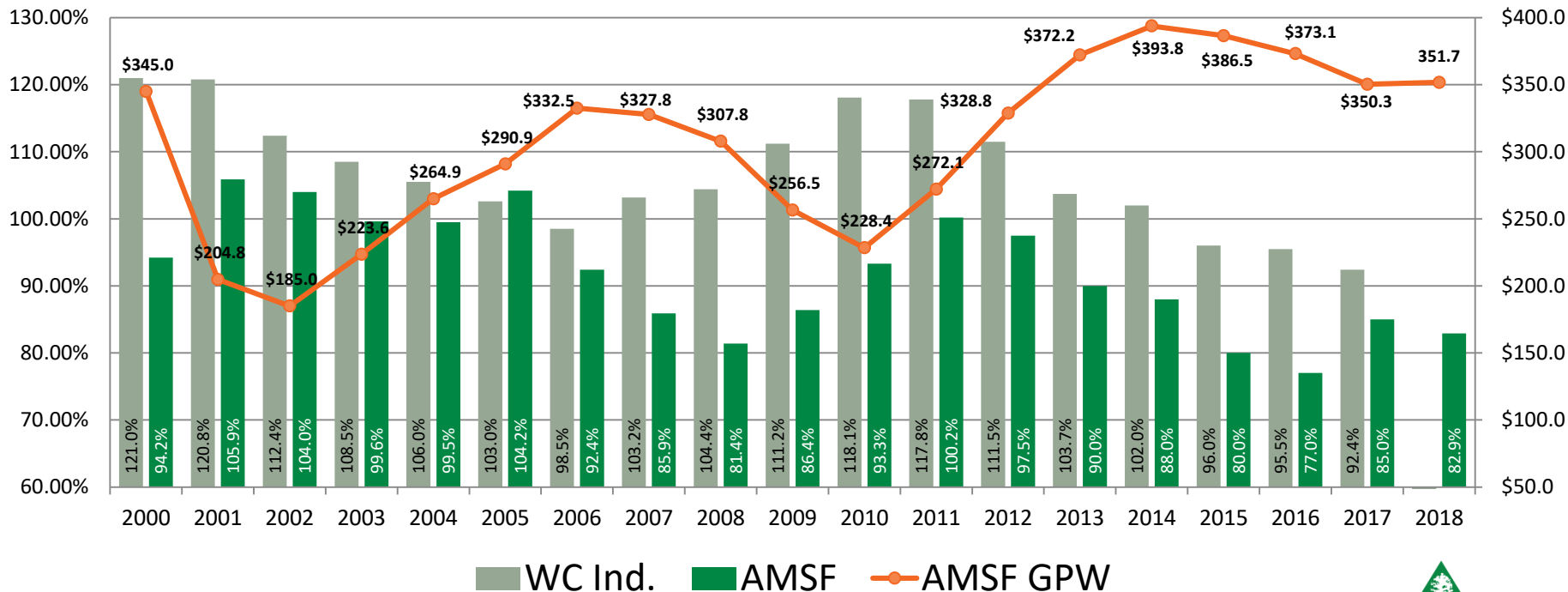
- Organic growth
- Acquisition considerations
 - » Renewal rights
 - » Balance sheet
- Continued dividend payments
- \$25M Share repurchase authorization

HISTORICAL FINANCIAL PERFORMANCE



CURRENT WORKERS' COMPENSATION MARKET CONDITIONS

WC INDUSTRY COMBINED RATIO



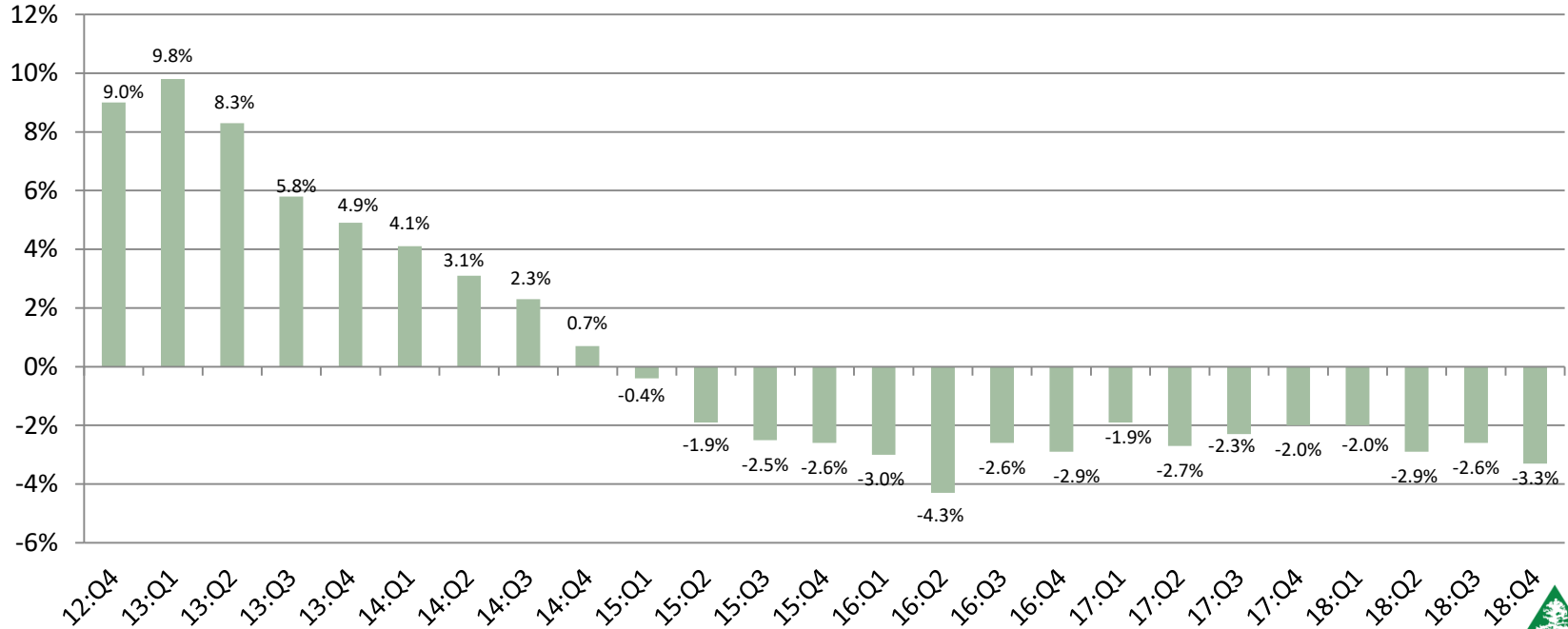
- AMSF Average Outperformance 15.1 pts., Since 2000
- AMSF Average Outperformance 17.5 pts., Since 2006

Sources: A.M. Best; Workers' Compensation Composite



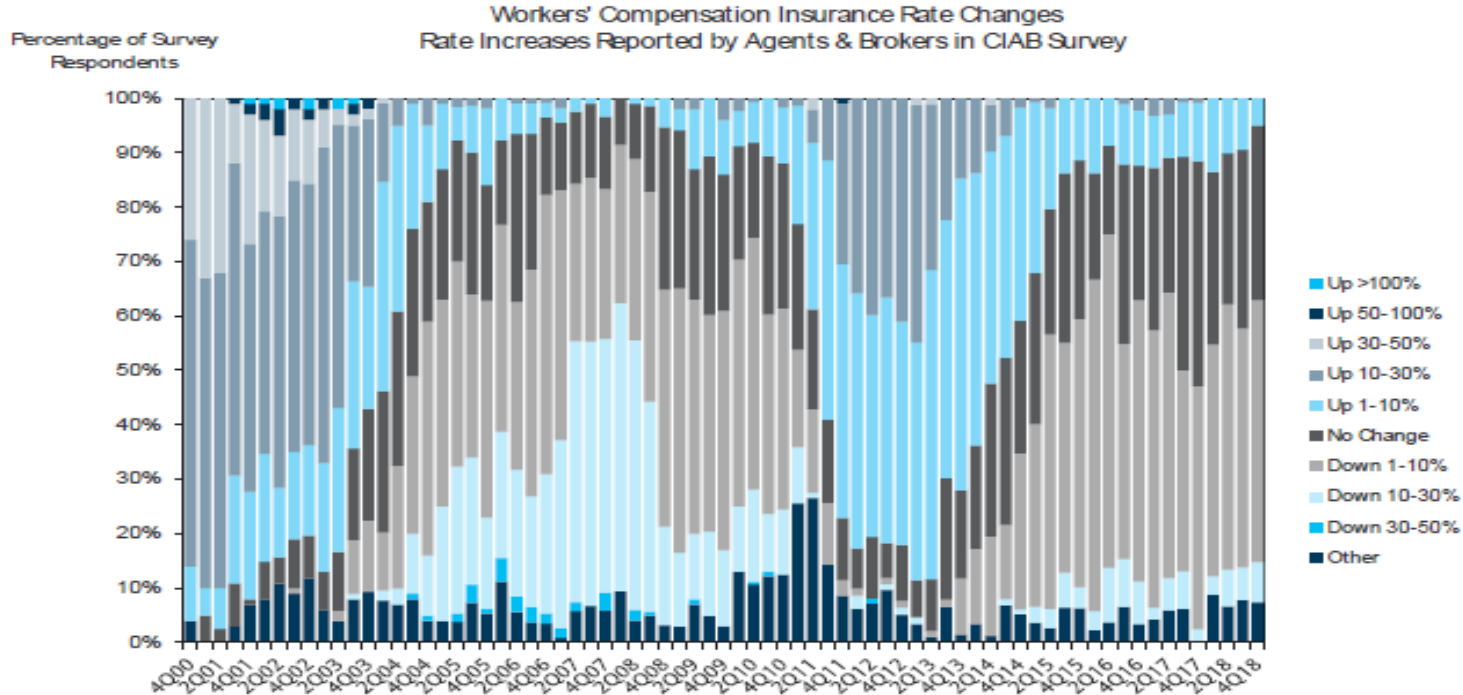
WORKERS' COMP RATE CHANGES

2012: Q4 – 2018: Q4



Source: The Council of Insurance Agents and Brokers.

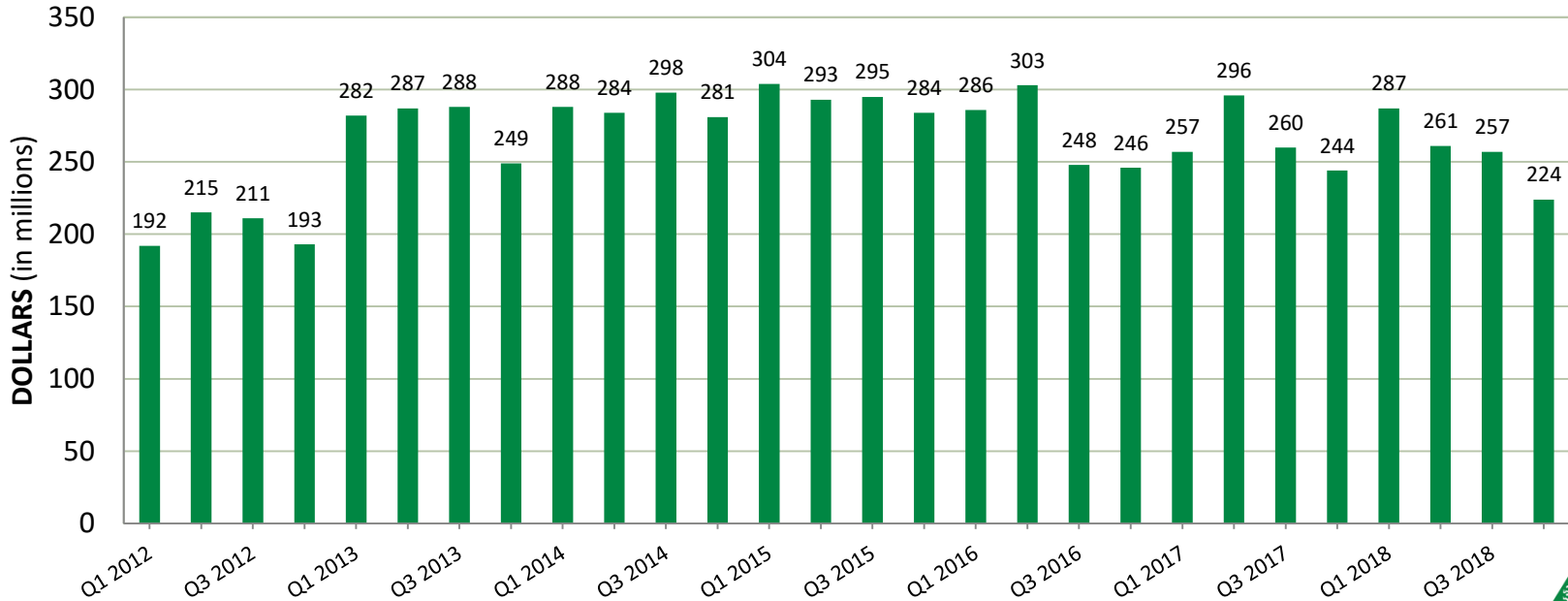
WC INSURANCE RATE CHANGES



Source: The Council of Insurance Agents & Brokers. Chart prepared by Barclays Research.

RESIDUAL MARKET ACTIVITY

ALL POOLS – NET WRITTEN PREMIUM*
ALL POLICY YEARS COMBINED

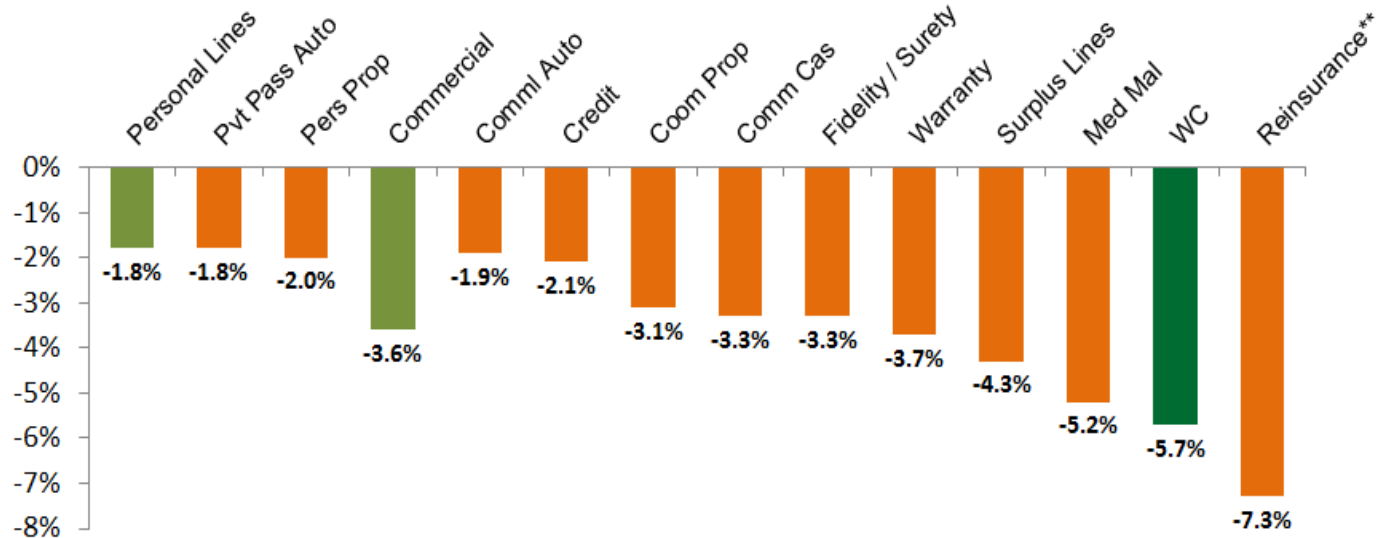


*Premium volume shown is net of uncollectible premium for all states and net of premium ceded for the cost of excess reinsurance for AK and NM. Source: National Council of Compensation Insurance, Inc.



REDUCTION IN COMBINED RATIO NECESSARY TO OFFSET 1% DECLINE IN INVESTMENT YIELD TO MAINTAIN CONSTANT ROE, BY LINE*

Lower Investment Earnings Place a Greater Burden on Underwriting and Pricing Discipline.



*Based on 2008 Invested Assets and Earned Premiums; **US domestic reinsurance only.

APPENDIX

AMSF

Nasdaq Listed

Stock Price	\$59.57
52 Week Range	\$50.45 – 67.96
Shares Outstanding	19.3 M
Market Cap	\$1.16 B
Book Value per Share	\$22.33
Price-to-Book	2.67

Market data as of May 15, 2019; Financial data as of March 31, 2019

SELECTED BALANCE SHEET DATA

(IN THOUSANDS)

	YTD 2019	2018	2017
Investments, Cash and cash equivalents	\$1,196,528	\$1,165,834	\$1,185,873
Amounts recoverable from reinsurers	111,182	112,006	90,133
Premiums receivable, net	174,310	162,478	174,234
Deferred income taxes	20,057	21,852	19,262
Deferred policy acquisition costs	20,433	19,734	20,251
Other Assets	36,472	34,027	28,483
Total Assets	1,558,982	1,515,931	1,518,236
Reserves for loss and loss adjustment expenses	800,580	798,409	771,845
Unearned premiums	155,026	149,296	157,270
Insurance-related assessments	28,802	28,258	28,246
Other Liabilities	144,169	130,206	135,452
Shareholders' equity	430,405	409,762	425,423
METRICS			
Book Value Per Share	\$22.33	\$21.26	\$22.10

INCOME STATEMENT

(IN THOUSANDS)

	YTD 2019	2018	2017
Revenues:			
Gross premiums written	\$93,107	\$351,696	\$350,267
Ceded premiums written	(2,430)	(9,344)	(8,869)
Net premiums written	\$90,677	\$342,352	\$341,398
Net premiums earned	\$84,948	\$350,326	\$346,156
Net investment income	8,015	30,452	29,281
Net realized gains (losses) on investments	59	(1,536)	(647)
Net unrealized gains (losses) on equity securities	2,158	(2,088)	
Fee and other income	10	599	418
Total revenues	95,190	377,753	375,208
Expenses:			
Loss and loss adjustment expenses incurred	49,614	204,891	209,324
Underwriting and other operating costs	20,667	81,133	78,776
Policyholder dividends	1,100	4,148	4,868
Total expenses	71,381	290,172	292,968
Income before taxes	23,801	87,581	82,240
Income tax expense*	4,409	(15,949)	(36,009)
Net income	\$19,400	\$71,632	\$46,231

*Includes \$12.6M expense in 2017 related to tax reform impact on net deferred tax assets.